



Richard Ekimoto
John A. Morris
Gwenaelle M. Bratton
Russell H. Ando
Dan C. Oyasato
Jill M. Tsuchitori
Tiffany N. Dare
Janie L. DeMello
Bruce B. Kim

Of Counsel:
Arlette S. Harada

April 16, 2019

VIA FACSIMILE (808) 541-1386

The Honorable Leslie E. Kobayashi
United States District Court
District of Hawaii
300 Ala Moana Blvd., Room C-423
Honolulu, Hawaii 96850

Re: Hawaii Central Federal Credit Union vs. Louis Mahina Kealoha, et al.,
Civil No. 18-00108-LEK-KJM

Dear Judge Kobayashi:

We represent Defendant Mariner's Cove Association ("Defendant ASSOCIATION") in the above-captioned case. This letter brief is submitted pursuant to Minute Order filed herein on April 2, 2019.

I. BACKGROUND

This is a foreclosure action by Plaintiff Hawaii Central Federal Credit Union ("Plaintiff"), which was filed in the Circuit Court of the First Circuit, State of Hawaii, on February 28, 2018, as Civil No. 18-1-0313-02 (JHC). Defendants LOUIS MAHINA KEALOHA and KATHERINE ELIZABETH KEALOHA ("Defendants KEALOHA") are or were the owners of the property being foreclosed upon, which is situated at 7014 Niumalu Loop, City and County of Honolulu, State of Hawaii, Tax Map Key No. (1) 3-9-065-046 ("Subject Property").

This case was removed to this Court by Notice of Removal of Civil Action filed herein on or about March 20, 2018, by Defendant United States of America.

Defendant ASSOCIATION is a planned community association, incorporated as a

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Hawaii non-profit corporation, by virtue of its Articles of Incorporation filed in the Department of Commerce and Consumer Affairs, State of Hawaii, on March 25, 2002; and is existing pursuant to the Declaration of Protective Provisions for Mariner's Cove, dated September 23, 1968, and recorded in the Bureau of Conveyances, State of Hawaii, in Liber 6240, at Page 316, as supplemented or amended; pursuant to its By-Laws, as amended or restated; pursuant to Hawaii Revised Statutes Chapter 421-J, as amended; and pursuant to its governing documents. The Subject Property lies within Defendant ASSOCIATION.

Defendant ASSOCIATION is named by Plaintiff in its foreclosure action because it may have, either now or in the future, a lien on the Subject Property for delinquent association assessments on the part of Defendants KEALOHA.

Pursuant to Defendant ASSOCIATION's governing documents, and pursuant to HRS Chapter 421-J, as amended, owners are obligated to pay association assessments to Defendant ASSOCIATION.

The Declaration of Protective Provisions for Mariner's Cove provides, at Section 8, as follows: "All Mariner's Cove residential lots shall be subject to equal (per lot) general assessments semi-annually by the Association to provide adequate working funds and reserves for the care, maintenance and operation of the common facilities and its other administrative functions...."

Hawaii Revised Statutes §421J-10.5 provides as follows: "(a) all sums owed by the association, but unpaid for the share of the assessments chargeable to any unit, shall constitute a lien on the unit."

At last check, there are no delinquent association assessments on the part of Defendants KEALOHA as to the Subject Property. Defendant ASSOCIATION filed an Answer to Complaint in this case on April 16, 2018. Defendant ASSOCIATION has not filed an affirmative claim in this case.

II. CURRENT STATUS OF THIS FORECLOSURE CASE

Defendant ASSOCIATION is named as a Defendant by Plaintiff in this foreclosure case in the event it has, or will have, a lien on the Subject Property based on delinquent association assessments as to the Subject Property. At last check, the account is current with the Defendant ASSOCIATION.

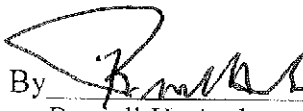
Counsel for Plaintiff and Counsel for Defendant ASSOCIATION conferred on May 23, 2018 to discuss discovery and motions. Defendant ASSOCIATION does not presently expect to initiate, or be the recipient of, any discovery. Defendant ASSOCIATION does not presently expect to object to any future discovery by Plaintiff. This foreclosure case is currently stayed by Order filed on October 29, 2018.

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III. THE SALE OF THE SUBJECT PROPERTY PURSUANT TO UNITED STATES OF AMERICA v. LOUIS M. KEALOHA, ET AL. CR18-00068-JMS-RLP

Defendant ASSOCIATION is not a party to United States of America vs. Louis M. Kealoha, et al., CR 18-00068 JMS-RLP ("CR18-00068"). Accordingly, Defendant ASSOCIATION does not have information as to its current status. Defendant ASSOCIATION understands that a sale of the Subject Property took place as part of CR18-00068. The likely objective of Plaintiff's foreclosure in this case is to effect a sale of the Subject Property at the highest and best price under the circumstances, which may have taken place pursuant to CR18-00068. Defendant ASSOCIATION has no information to provide as to the status of CR18-00068, but the other parties in that case may be able to provide that information.

Very truly yours,

By 
Russell H. Ando

cc: JONATHAN W. Y. LAI, ESQ. jlai@wik.com
Watanabe Ing LLP
First Hawaiian Center
999 Bishop Street, Suite 1250
Honolulu, Hawaii 96813

Attorneys for Plaintiff
HAWAII CENTRAL FEDERAL CREDIT UNION

LOUIS MAHINA KEALOHA
4348 Waialae Avenue, #829
Honolulu, Hawaii 96816

Defendant

KATHERINE ELIZABETH KEALOHA
4348 Waialae Avenue, #829
Honolulu, Hawaii 96816

Defendant

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LUNA-KAI MARINA PARK ASSOCIATION
c/o Touchstone Properties, Ltd.
680 Iwilei Road, #777
Honolulu, Hawaii 96817

Defendant

HAWAII KAI MARINA COMMUNITY ASSOCIATION
c/o Hawaiian Properties, Ltd.
1165 Bethel Street, 2nd Floor
Honolulu, Hawaii 96813

Defendant

KEVIN P.H. SUMIDA, ESQ. ksumida@hawaiilaw411.com
Sumida Au & Wong, LLC
735 Bishop Street, Suite 411
Honolulu, Hawaii 96813

Attorney for Defendant Sumida Au & Wong, LLC

COLIN M. McDONALD, ESQ. Colin.McDonald@usdoj.gov
Office of the United States Attorney
880 Front Street, Room 6293
San Diego, California 92101

ERIC J. BESTE, ESQ. Eric.Beste@usdoj.gov
Office of the United States Attorney
880 Front Street, Room 6293
San Diego, California 92101

JANAKI S. GANDHI, ESQ. Janaki.Gandhi@usdoj.gov
Office of the United States Attorney
880 Front Street, Room 6293
San Diego, California 92101

MICHAEL WHEAT, ESQ. michael.wheat@usdoj.gov
Office of the United States Attorney
8801 Front Street, Room 6293
San Diego, California 92101

Attorneys for Defendant
UNITED STATES OF AMERICA